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July 12, 1996

RECEIVED

JUL 12 1996

Federal Communications Commission  
Office of Secretary

William F. Caton, Acting Secretary  
Federal Communications Commission  
1919 M Street, N.W., Room 222  
Washington, D.C. 20554

Re: EX PARTE PRESENTATION - In re Implementation  
of the Local Competition Provisions in the  
Telecommunications Act of 1996 - CC Docket No. 96-98

Dear Mr. Caton:

On July 11, 1996, on behalf of Eastern TeleLogic, Inc. ("ETC"), the undersigned counsel, along with Rebecca H. Sommi, Director of External Affairs for ETC, and Richard Murphy, Vice President of Marketing for ETC met with Richard Welch, Chief of the Policy & Program Planning Division of the Common Carrier Bureau, to discuss issues in the above-referenced dockets and the information contained in the attached presentation.

As the above-described meeting was completed late in the afternoon, counsel was unable to file this letter on the same day that the meeting occurred. To the extent the Commission deems necessary, counsel hereby requests waiver of §1.1206(a)(2) of the Commission's rules requiring same-day submission of the instant letter.

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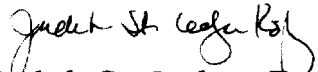
William F. Caton

July 12, 1996

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In accordance with the Commission's rules, 47 C.F.R. §1.1206(a)-(b), we are filing an original and two copies of this notice of *ex parte* presentation. Please direct any questions regarding this filing to the undersigned.

Respectfully submitted,

  
Judith St. Ledger-Roty

JSLR:cpa  
Enclosure

cc: Richard Welch

# **EASTERN TELELOGIC CORPORATION'S CRITICAL NEEDS IN THE 251 ORDER**

## **1. Disaggregation of Approved Agreements**

- \* § 252 (i) requires that "any interconnection, service, or network element" provided in approved agreements also be made available to non-party carriers upon the same "terms and conditions."
- \*\* Use of the word "any" clearly demonstrates Congress' intent that non-parties should have the ability to disaggregate approved agreements down to the level reflected in the individual subsections and paragraphs of § 251, and the 14 point checklist of § 271. Otherwise, ILECs could negotiate "package" deals tailored so as to be useless to other competitors, thereby fostering a duopoly environment rather than full local competition.
- \*\* The phrase "terms and conditions" in § 252 (i) cannot be construed to permit the parties to an agreement to destroy the rights of non-parties by imposing a "take it all or leave it" requirement. Its proper meaning is that parties have to pay the same amount under the same conditions.
- \*\* Even in the absence of § 252 (i), the "good faith" bargaining requirement of § 251 (c)(i), and the state review of proposed agreements under § 252 (e) to prevent any discrimination "against a telecommunications carrier not a party to the agreement" would each effectively require disaggregation.

### **Benefits:**

- Promotes all new entrants
- Establishes a "level" playing field
- Showing of real costs
- Reduces possibility of a duopoly
- Creates more incentive for RBOCs to negotiate in good faith
- Reduces "sell-out" as a negotiating strategy

### **Risk of Non-Severability:**

- Limit the number of new entrants that can play
- Early development of price squeezes
- Only the BIG guys can win
- Limited choices for end-users
- Impact Entrepreneurial companies

# **EASTERN TELELOGIC CORPORATION'S CRITICAL NEEDS IN THE 251 ORDER**

## **2. Filing of Existing Interconnection Agreements**

- \* Arkansas, Texas and Wisconsin have each concluded that interconnection agreements in existence among ILECs on February 8, 1996, must be filed with state commissions. The Commission should expressly approve this ruling to ensure that all existing agreements are made public, and that no unique arrangements can be kept secretly in place among one group of carriers. If there were any need to craft special arrangements concerning independent companies which are not already fully protected by the exceptions in § 251 (f), the states are fully empowered to create special, competitively-neutral categories pursuant to the "public convenience and necessity" standard which applies to review of such agreements

### **Benefits:**

- Technically feasible arrangements
- Availability of traffic volumes and call types
- Available solutions for the interconnection of LEC networks e.g. traffic exchange, operator services, DA, 911, directories, jointly provisioned trunks, etc.
- Identification of settlement systems

### **Risks of not Disclosing Preexisting Arrangements:**

- Delays competitive entry
- Inability to route and/or terminate traffic
- Resistance from ILECs to cooperate
- Customer complaints

# **EASTERN TELELOGIC CORPORATION'S CRITICAL NEEDS IN THE 251 ORDER**

## **3. Unbundled Loop Prices Cannot Exceed Retail Rates**

- \* The Commission should rule that CLECs are entitled to unbundled loops at the lower of : 1) TSLRIC; or 2) the retail rate for loops (including rates for Centrex loops), less the costs of any additional services that may be included in such rates. If an ILEC currently receives a subsidy to keep its loop rates below costs, the universal service reform plan will either let it continue receiving that subsidy, or else let the ILEC increase its rates to cost. On the other hand, if an ILEC is choosing to deliberately charge loop end users less than its costs, it clearly should be required to make those same rates available to CLECs.

### **Benefits:**

Incentive to broaden reach quickly  
Encourage facilities-based carriers to build  
Promotes the development of facilities-based competition  
Quicker penetration of the residential marketplace  
Expands opportunities

### **Risks:**

Limited penetration in the residential marketplace  
Inability for new entrants to have a ubiquitous reach  
Impacts the investment incentive of the financial market  
Limits customer applications

	Cell 1	Cell 2	Cell 3	Cell 4
Residence <sup>1</sup>	\$3.65	\$3.95	\$4.35	\$4.75
Business <sup>2</sup>	\$6.40	\$8.90	\$11.40	\$13.90
Loop Rate <sup>3</sup>	\$13.20	\$15.25	\$20.80	\$26.69
Centrex Exc. Access <sup>4</sup>				
First 100 Lines	\$2.05			
Add'l Lines	\$1.05			

<sup>1</sup> Bell Atlantic PA-PUC Nos. 180, 182 and 182A  
<sup>2</sup> Bell Atlantic PA-PUC Nos. 180, 182 and 182A  
<sup>3</sup> Applications of MFS Intelenet of Pennsylvania, Inc.; MCI Metro Access Transmission; TCG Pittsburgh; and Eastern TeleLogic Corporation for a certificate of public convenience and necessity to provide and resell local exchange telecommunications services (Phase II), Pa. PUC Dkt Nos. A-310203F0002, A-310213F0002, A-310236F002, A-310258F0002, BA-PA West Direct Testimony.  
<sup>4</sup> Bell Atlantic PA-PUC No. 500

# ***EASTERN TELELOGIC CORPORATION'S CRITICAL NEEDS IN THE 251 ORDER***

## **4. Proper Resale Rates**

### **Benefits:**

Discounts should encourage facilities-based alternatives

### **Risks:**

Reduce incentive for end-user to chose a facilities-based solution  
Limit the number of players

***Eastern TeleLogic Corporation***  
***Business Communications***  
***In A Whole New Light***



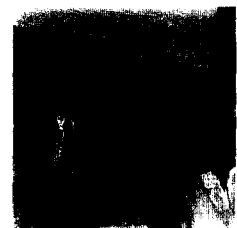
*A whole new light*

*The best choice*



*Advanced networking*

*Customer support*





**T**he fiber optic telecommunications network has arrived. Single strands of lightning-fast technology that is changing the way business does business forever.

**T**hrough the convergence of voice, video and data networks, communications will be more intelligent, more flexible, and more powerful than you ever imagined.

**C**ompanies that can harness this power—businesses who bend this superhighway to their advantage—will have the inside track that will put them far ahead of their competitors.

**A**nd Eastern TeleLogic can show you how to get there for one simple reason.

**We're already there.**

***Eastern TeleLogic  
invites you to look at  
business communications in  
a whole new light.***

Companies that depend on communications have found a new source of reliable, efficient service. A resource that combines state-of-the-art technology, cost-effective rate structures, and extraordinary responsiveness.

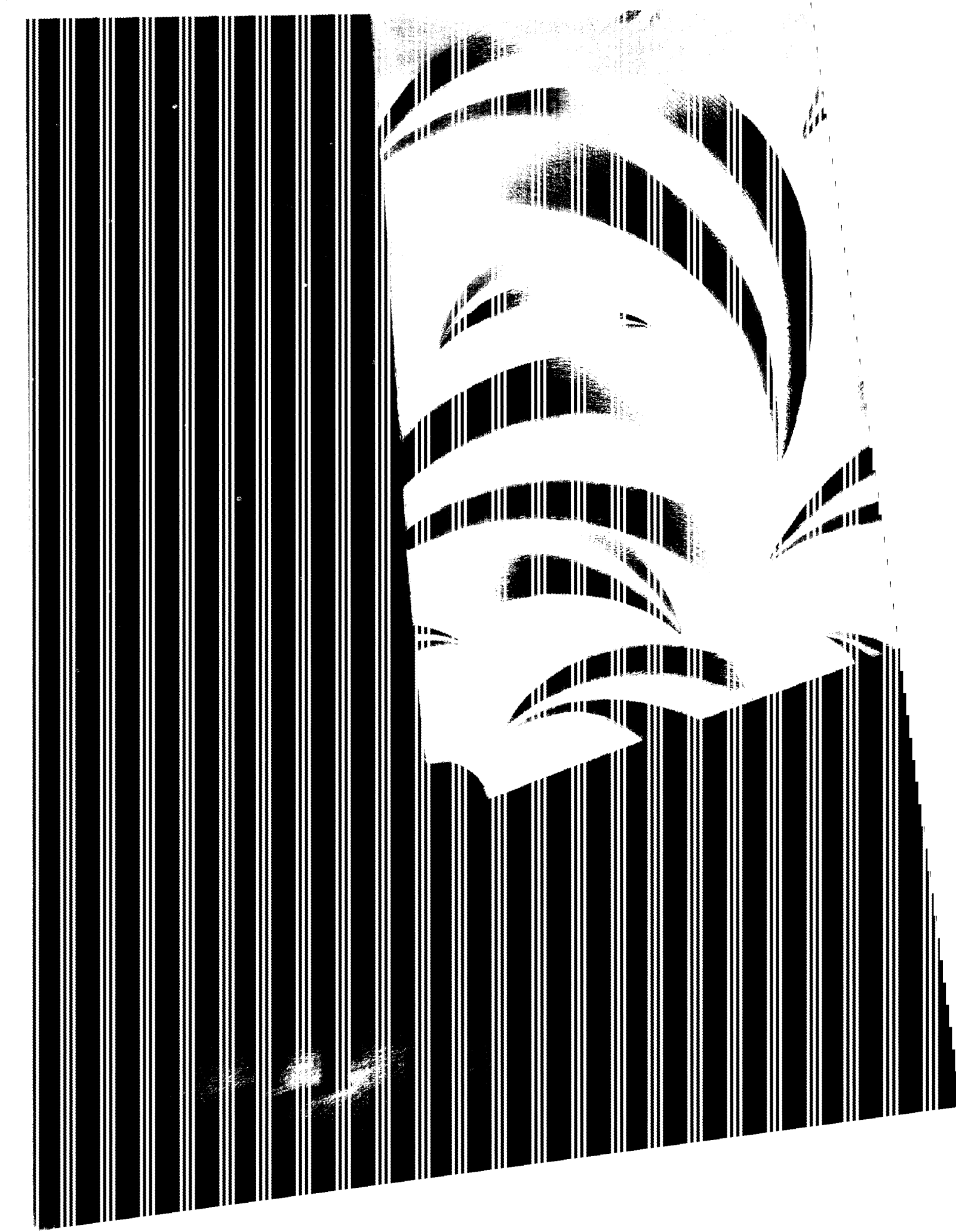
That source is Eastern TeleLogic.

Eastern TeleLogic has become the primary telecommunications supplier to hundreds of financial institutions, healthcare providers, pharmaceutical manufacturers, data processing companies, service organizations, and other businesses for whom communications is a mission-critical application.

These companies know that they can count on Eastern TeleLogic to provide the high-quality, fiber optic links between their offices, their customers, and the world. Plus the system redundancy and route diversity needed to ensure virtually flawless uptime.

At the same time, companies count on the independent, non-bureaucratic style of Eastern TeleLogic to ensure rapid turnaround and creative solutions to everyday business needs. Because, unlike the regional Bell system, we share our customers' entrepreneurial spirit.

Whether your company is an industry leader, or on its way to becoming one, make Eastern TeleLogic your communications partner. And turn communications into a powerful business tool.



***The safe choice is the one  
that leads to your goals.***

Forward-looking companies have found that the choice of a primary telecommunications supplier is a simple one--select the best. That means making an objective comparison of networks, capabilities, and service philosophies.

The results of such an exercise will challenge your beliefs about technological leadership and network reliability. Because when you compare networks, you will find that no one has a more advanced infrastructure than Eastern TeleLogic, including the latest digital switching systems, adherence to SONET standards, and a fully redundant route diverse architecture that "heals" itself in the event of a failure. Making us the choice that keeps your options open for the future.

When you compare system reliability, you will find a track record that is unmatched in the industry, with uptime within a fiber-thin fraction of 100%. Making us the choice that allows you to pursue your communications goals with confidence.

And when you compare stability, you will find a company that made the commitment to build the region's first fiber optic network, and is backed by Comcast Corporation, one of America's largest and most innovative leaders in telecommunications. Making us the choice that will be here for you when you need us.

In the final analysis, you will discover why so many businesses have used logic, rather than habit, as their criterion, and have relegated the regional Bell system to the role of "backup" supplier.

Because in a world of choices, Eastern TeleLogic has earned the opportunity to be your first.



***Advanced networking solutions  
that overcome the barriers of  
space, time, and technologies.***

**A** true network is not merely a collection of hardware and software, but an integrated organism. Alive with the interaction of information, ideas, and operating platforms.

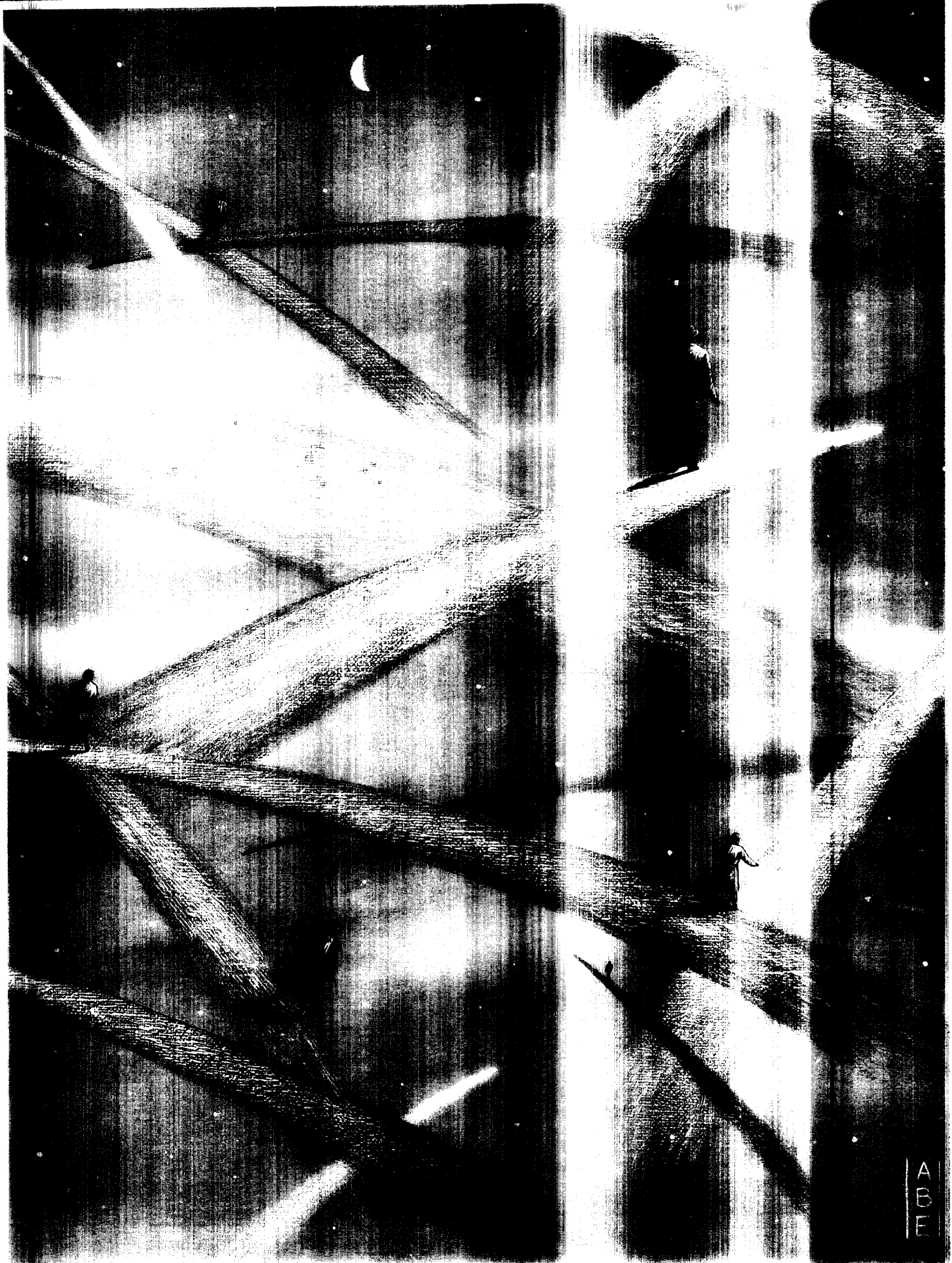
**And** when a network is created right, it has a personality that is synchronous with the character of your company. Which is where Eastern TeleLogic excels.

**Having** implemented some of the region's most sophisticated local and wide-area networks, Eastern TeleLogic has the insight to work as your strategic partner. Designing and implementing network-based solutions that can help you overcome geographic and technological barriers, and create seamless links between people and locations.

**These** currently include such applications as electronic data interchanges that link multiple sites and vendors. LAN interconnections that allow multiple access to remote information at broadband speeds. Disaster recovery systems that automatically connect you to your hot site in the event of an emergency. And voice-switched services at the highest quality and best price in the region.

**And** we've only just begun.

**By** remaining on the leading edge of this rapidly-evolving technological arena, Eastern TeleLogic will enable your company to take the lead in providing new capabilities to your employees, customers, and suppliers in the years ahead.



A  
B  
E

***Above all,  
we communicate with you.***

**E**astern TeleLogic recognizes that without long-term business partnerships, there is no future. That's why we have led our industry with the adoption of a bold new service and support initiative known as Customer 1.

**B**ehind the scenes, Customer 1 means cutting-edge diagnostics, monitoring, and network surveillance technologies that work to maintain the integrity of our system at all times. Including a Digital Facility Management System which continuously monitors each customer's individual circuits and equipment from a primary and secondary node location.

**O**n the front lines, Customer 1 means working closely with you at every step, from the development of a customized communications solution, to ongoing service and support. And, it means maintaining an open dialogue with you, to better anticipate future needs.

It also means leading the industry's very first users' group, a forum in which customers and industry professionals meet regularly to discuss new applications, expansion plans, regulatory issues, and individual business concerns.

**A**t the customer service level, Customer 1 means sophisticated tracking systems that provide immediate information in response to customer requests — 24 hours a day, 365 days a year.

**A**nd, it means maintaining the best trained and most professional service team in the business. Including technical specialists who are cross-trained to handle not only their primary disciplines, but also a wide range of other maintenance or upgrade responsibilities.





**D**iscover how  
Eastern TeleLogic can help  
your company build a  
brighter future by seeing  
business communications  
in a whole new light



**Eastern TeleLogic  
Corporation**

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